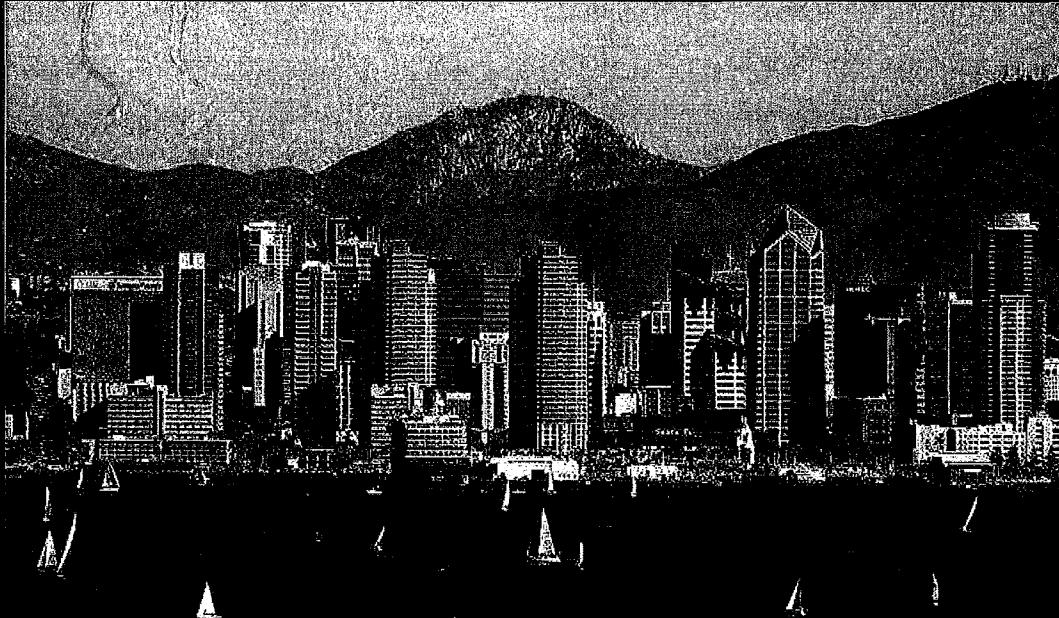


**CONTRACT BETWEEN  
CITY AND SST, INC.**

**EXHIBIT D – PURCHASE AGREEMENT**

**CONTRACT BETWEEN CITY AND SST, INC.  
EXHIBIT D**

confidential



DETECT • PROTECT • CONNECT

PURCHASE AGREEMENT  
FOR A SUBSCRIPTION-BASED  
**SHOTSPOTTER® FLEX™ GUNFIRE LOCATION,  
ALERT AND ANALYSIS SERVICE FOR  
SAN DIEGO, CALIFORNIA**

**Purchase Agreement for a Subscription-Based  
ShotSpotter® Flex™ Gunfire Location, Alert and Analysis Service**

**Prospect:** San Diego, California

**Agreement ID:** SANCA08182016

**Date:** August 18, 2016

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## SST Introduction and Background

### About SST, Inc.

SST was founded in 1995 and with 33 issued patents, and over 90+ successful agency engagements covering over 300 square miles, SST has become the de-facto leader in the development and deployment of wide area acoustic gunshot surveillance systems. Our sensor-based technology detects, locates and alerts on all outdoor urban gunfire on a real time and precise basis. These alerts are then vetted by an acoustic reviewer in our 24/7 Incident Review Center before getting pushed to a customer web accessible laptop or mobile device. The alerts will show a precise dot on a map with the real recording of the actual gunfire event. The situational intelligence advantage and ground truth that our alerts bring to a tactical response provides for enhanced officer safety. At an agency level, it provides for an efficient and effective way to respond to and investigate gun crime.

Our service is delivered as an easily implemented Software as a Service (SaaS) solution requiring no investment in or maintenance of expensive hardware or software. Our contracts are based on an affordable one year subscription agreement providing for maximum flexibility and the de-risking of a ShotSpotter deployment.

### Our Core Beliefs

Our inspiration comes from our Principal Founder, Dr. Bob Showen's core belief that technology in its highest and best use should be harnessed for social good. The collective passion of our employees, investors and partners is based on providing a compelling solution and consulting expertise focused on helping reduce gun violence and creating safer more vibrant communities coping with the epidemic of gun violence. We are committed to developing comprehensive, respectful and intimate partnerships with agencies and their respective cities organized around making a positive difference. Today, ShotSpotter is highly regarded as a critical component of a comprehensive gun violence reduction strategy and is playing an active part in making communities safer for our future generations. We aspire to make that both our individual and firm wide legacy.

## Our Experience

Our company has had over 20 years of successful experience in designing and deploying ShotSpotter arrays in a number of diverse urban environments with various acoustic and environmental challenges. We have the largest database of gunfire events and other impulsive noise detections on the planet allowing us to continually refine and improve our machine classification techniques. Our data is scientifically sound and used in court cases at both the state and federal levels.

Most importantly, we have over the years, been able to learn alongside our clients, a number of best practices techniques to improve on measurable outcomes and the operational effectiveness of our solution. We take a consultative approach to our client engagements and bring to bear a formal on boarding process and provide comprehensive training and ongoing webinars to advance the state of gun violence abatement.

## Our Service and Product Offerings

SST is well known and respected for its gunshot detection solutions that have historically helped police identify, analyze and respond to violent gun crime in urban cities. The ShotSpotter product continues to become a household name in law enforcement agencies across the world. Today, the company has expanded its solution offering to include small area and indoor gunshot detection. This new security solution is focused on K-12 schools, college and university campuses, corporate facilities and other key critical infrastructure that are vulnerable to unpredictable active shooter attacks.

An overview of our suite of services include the following:

- **ShotSpotter® Flex™** – gunfire alerting and analysis of gunfire for local law enforcement agencies in urban areas.
- **ShotSpotter® SiteSecure™** for Critical Infrastructure – physical security designed to detect gunfire attacks on commercial and federal buildings, electrical substations, airports, and large outdoor structures.
- **SST SecureCampus®** – designed to provide indoor and outdoor gunfire coverage at university and school campuses.

## About Our Service – ShotSpotter Flex

### Real Time Gunfire Data

**ShotSpotter Flex** helps law enforcement agencies by directing police to the precise location of illegal gunfire incidents. ShotSpotter instantly notifies officers of shootings in progress with real-time data delivered to dispatch centers, patrol cars and even smart phones. Instant alerts enable first responders to aid victims, collect evidence and quickly apprehend armed, dangerous offenders.

ShotSpotter's actionable intelligence can then be used to prevent future crimes by positioning law enforcement when and where crime is likely to occur.

Police now possess a scientific barometer of success: smart policing leads to fewer shootings.

### Key Features

- Constant, 360-degree wide-area acoustic surveillance throughout large coverage areas.
- Immediate alerts when no one calls 9-1-1.
- Precise location including latitude/longitude, street address.
- Number and exact time of rounds fired.
- Identification of fully-automatic or high-capacity weapons.
- Identification of multiple shooters.
- Shooter position, speed and direction of travel.
- Detailed forensic data for investigation, prosecution, analysis.
- Easily-accessible single and cumulative historical reports.
- Annual subscription-based service is a hosted cloud-based solution.

### Key Benefits

- Enhanced situational awareness and officer safety.
- Faster evidence collection and witness identification.
- Court-admissible, detailed forensic reports (DFRs).
- Increased gun crime arrests.
- Improved community relations and collaboration.
- Proactive gun crime pattern analysis and strategic deterrence.
- No need to buy/manage a complex technology infrastructure.
- Expedited response to shooting victims.
- Increased suspect leads, suspect arrests.
- Increased ability to identify homicides and injured victims.

## Sensor Platform

Our detection solution is enabled through proprietary special purpose-built sensors that are designed to trigger and time-stamp impulsive acoustic events that spike above ambient noise. When three or more sensors "trigger" the software system is able to triangulate the exact location of the event within 82 feet.

SST designs and deploys a sensor array of typically 15-20 sensors per square mile in order to support a coverage area. Although the company may seek assistance from the city/agency for permissions to mount the sensors, the ownership and maintenance of the sensors is the sole responsibility of SST.

## Subscription-based and Software as a Service

### **SST's cloud-based system is cost effective.**

In addition to owning and operating the underlying sensor network, SST also owns and operates the data center infrastructure which provides the 24x7x365 real-time data. Sensors operate on "machine-to-machine" (M2M) data contracts provided by our cellular provider partners. Because SST maintains thousands of live sensor connections with those partners, we achieve per-sensor connectivity savings far beyond what a single agency could negotiate, and we pass those savings along to our customers in the form of a fixed price subscription.

### **Built-in redundancy eliminates any single point of failure.**

SST operates fully redundant data centers on both the East and West Coasts, both of which have doubly-redundant power and HVAC, and triply-redundant Internet connectivity. The company has invested in full data redundancy and backups, as well as offsite backup, and provides a level of 24x7x365 fault tolerant hardware and network uptime that no agency—even the biggest—could afford to procure, let alone maintain, on its own.

### **Subscription Based**

The subscription-based cost structure of ShotSpotter Flex not only makes sophisticated gunshot detection a reality for your agency, it helps you maximize your people by speeding investigations, supporting prosecutions and deploying

patrol officers where and when they're needed most to successfully prevent gun violence.

Annual terms provide the maximum flexibility and reduction of risks as an agency can opt out after the one year term (although we trust our service will provide positive outcomes that you will want to continue to receive).

### **Incident Review Center**

Our 24x7x365 commitment coupled with unparalleled acoustic expertise provides an instant assessment of all incidents, freeing up time that dispatchers and officers would otherwise spend analyzing alerts. We provide the level of data qualification needed to have confidence when dispatching based on alerts. Drawing on their experience, SST experts add critical situational intelligence to alerts, that can help personnel respond more safely and successfully.

After an explosive (or impulsive) sound triggers ShotSpotter sensors that an incident is detected and located, audio from the incident is sent to the SST Incident Review Center via secure, high-speed network connections for real-time qualification. Within seconds, an SST professional reviewer analyzes audio data and recordings to confirm gunfire. The qualified alert is then sent directly to the dispatch center, PSAP, mobile/patrol officers and any other relevant safety or security personnel.

SST's team of expert reviewers has direct experience reviewing thousands of incidents captured by SST systems. Reviewed alerts help law enforcement respond safely and effectively to gunfire by providing:

- Precise location of gunfire, both latitude/longitude and street address.
- Number and exact time of shots fired.
- Shooter position, speed and direction of travel (if moving).
- Faster, more accurate alerts.
- Gunfire incident history and pattern analysis.

SST's incident reviewers hear thousands of gunfire incidents during their training, and each incident is presented to them from the perspective of multiple sensors. SST incident reviewers have reviewed and analyzed more acoustic gunfire incidents, from more perspectives, than quite literally anyone else in the world.

SST's Real-Time Incident Review Center operates 24 hours a day, 365 days a year in a protected and fully redundant environment. Our software provides live chat functionality for immediate communication and assistance when required.

## **Best Practices and Onboarding Training**

### **The SST Training Team**

The Training Team consists of former law enforcement professionals with over 40 years of experience. Our mission is to make the customer as successful as possible. We do this through continued and on-going support to help you learn how to get the most benefit from the services we offer. All the training modules we offer are included in the price of the service, so never hesitate to request training if your agency is in need.

### **Getting Started**

Early in the engagement process, one of our trainers will be assigned to the agency to ensure wide-ranging but consistent training is delivered based on the agency customer's need. While the service is being deployed, we first present to command staff personnel and key identified stakeholders in the service. This Best Practices Presentation is based on knowledge of law enforcement practices and learning from our customer agencies that have been successful with incorporating ShotSpotter services into the fabric of the department. The idea is to get the agency thinking about success and ways to achieve it right from the beginning.

### **Educational and Best Practices Webinars**

To help support you in your deployment process, SST has a number of training webinars to help you get your team trained internally on how to use our products and services. We also offer a series of archived best practices webinars on a variety of law enforcement topics from reducing celebratory gunfire to keeping neighborhoods safer. These webinars are led by our internal SST experts, many of whom have an extensive background in both public safety and business.

## Gunfire Data and Alerts

The alerts that are generated by ShotSpotter are delivered in the following forms:

### i. Alerts Console

The ShotSpotter Flex Alerts Console is the user interface most often used by Call Takers, Dispatchers, and Patrol Officers in the field. Real-time notifications of gunfire incidents are delivered to this console.

The console provides the type of gunfire (single round, multiple round), a unique identification number (Flex ID number), a date and time of the muzzle blast (trigger time), latitude-longitude of the location of the muzzle blast, nearest address of the location of the muzzle blast, number of shots, direction of travel (moving shooter, multiple rounds), speed of travel (moving shooter, multiple rounds), district identification, and beat identification.

An SST analyst may add other contextual information related to the event such as the possibility of multiple shooters, high capacity weapons, full-automatic weapons, and the shooter's location related to a building (front yard, back yard,

street, etc.). An audit trail of the time the alert was published, acknowledged and closed at customer facility is also contained in the report. All notes by Call Takers and Dispatchers are added to the alert are time and date stamped and indicate the operator's identification. For Patrol Officers, an audio clip of the incident is provided with the alert.



## ii. Investigator Portal

All historical incident data in the ShotSpotter Flex database can be viewed, searched, sorted, and filtered using the ShotSpotter Investigator Portal. Reports for single incidents and groups of incidents can be run. Parameters and filter settings may be used to select incidents grouped into a single report. Any predefined reports may be viewed on a monitor, printed, or exported to standard CSV format.

End-users can create their own custom reports or otherwise analyze the data using standard COTS products such as Microsoft SQL Server Report Builder, Crystal Reports, ArcGIS including Spatial Analyst, and any other SQL tools or SQL Server compatible tools. Because the system stores all incident details into an SQL database, generating reports is relatively simple.

The Investigator Portal also includes the ability to save any audio clip as a standard MP3 file to any recordable media (e.g., CDROM, USB drive).



### iii. Mobile Alerts

Using ShotSpotter Siren, real-time gunfire alert data may also be delivered to smartphones through email and SMS text messages. The location of gunfire is represented as a dot on a map in addition to the number of rounds fired, including access to the incident audio. A native smartphone app is under development and will soon be available for use on iPhones and Android platforms.



#### **iv. Notification Engine (machine based)**

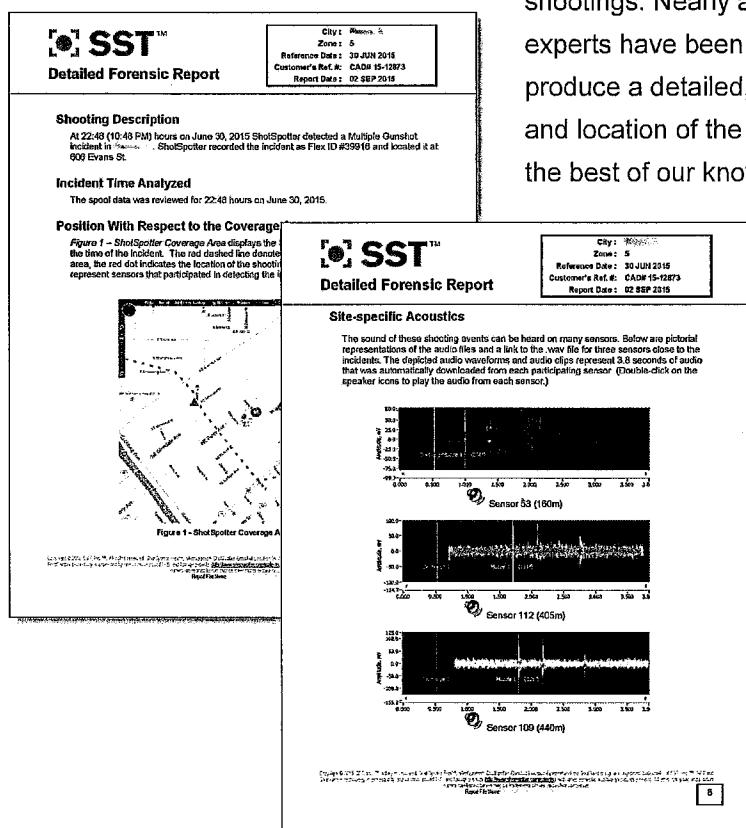
The ShotSpotter Notification Engine Interface permits client applications such as video management systems, Computer-Aided Dispatch (CAD), Records Management Systems (RMS), video analytics, automated license plate number readers (ALPR), camera management systems, crime analysis and statistics packages (including COMPSTAT software), and common operating picture (COP) software to receive accurate, timely, and detailed information about ShotSpotter gunfire alerts, including precise latitude and longitude (geolocation), GPS-synchronized timestamps, incident audio, and situational context provided by the 24x7x365 SST Incident Review Center.

Integration of ShotSpotter data with other systems has already proven successful in cities across the United States. Police in Minneapolis, MN used an earlier version of the ShotSpotter Notification Engine to trigger video recordings of certain key intersections in high crime areas. Soon thereafter, a ShotSpotter alert triggered those cameras to capture the image of a murderer fleeing the scene of a shooting. Similarly, in Boston, MA, police correlate ShotSpotter data with surveillance cameras and parolee ankle bracelet tracking data to maintain 24x7x365 awareness of any parolee who may be violating the terms of parole by committing crimes or consorting with those doing likewise.

## v. Forensic Reports & Certified Expert Witness Services

ShotSpotter Flex data is also useful for detailed forensic analysis that helps reveal and clarify what actually occurred during a gunfire incident, including the identification of weapon type (i.e. automatic vs. semi-automatic), the number of rounds fired, the number of shooters involved, and the direction and speed of a shooter-in-motion for drive-by shootings. The audio clips also provide conclusive evidence to prosecutors to allow jurors to directly experience the incident and gain a more detailed firsthand awareness of what are often horrifying moments for the victims. In support of prosecutions, SST offers key members of its staff to provide expert witness testimony to help interpret and clarify crime scene activity derived from the system's data. In addition to predefined and customer-generated reports, ShotSpotter experts can create a detailed forensic report of any single gunfire incident. ShotSpotter detailed forensic reports have helped with many convictions and also to clarify what occurred during officer involved

shootings. Nearly all of the criminal proceedings in which its experts have been called to testify, SST has been able to produce a detailed, round-by-round analysis of the timing and location of the shots fired by one or more weapons. To the best of our knowledge, no other acoustic-based gunshot detection system has been accepted in a court of law as providing this kind of forensic evidence.)



In 11 states and in the District of Columbia, ShotSpotter evidence and SST expert witness testimony have been successfully admitted in over 50 court cases. In four of those states (CA,NY,MO,NE), ShotSpotter scientific technique was subject to Kelly (Frye) or Daubert challenges and was found to be admissible.

## Customer References

### **Minneapolis (MN) Police Department**

350 South 5th Street, Room 130, Minneapolis, MN 55415-1389

Chief Janeé Harteau ([janee.harteau@minneapolismn.gov](mailto:janee.harteau@minneapolismn.gov), 612.673.3559)

Coverage Area: 5 square miles (1 expansion)

2006 to Present

### **Oakland (CA) Police Department**

455 7th Street, Oakland, CA 94607

Assistant Chief Paul Figueroa ([pfigueroa@oaklandnet.com](mailto:pfigueroa@oaklandnet.com), 510.238.7140)

Coverage Area: 15.38 Square Miles (2 expansions)

2006 to Present

### **New York City (NY) Police Department**

1 Police Plaza, New York, NY 10007

Sergeant Joe Freer ([joe.freer@nypd.org](mailto:joe.freer@nypd.org), 646.610.8676)

Coverage Area: 15 Square Miles (planning on expansion)

2015 to Present

### **Kansas City (MO) Police Department**

700 Minnesota Avenue, Kansas City, KS 66101

Chief Darryl Forte ([darryl.forte@kcpd.org](mailto:darryl.forte@kcpd.org), 816.234.5015)

Commander Scott Caron ([scott.caron@kcpd.org](mailto:scott.caron@kcpd.org), 816.234.5000)

Coverage Area: 4.5 square miles

2012 to Present

### **Rocky Mount (NC) Police Department**

One Government Plaza, Rocky Mount, NC 27801

Lieutenant Ryan Hepler ([ryan.hepler@rockymountnc.gov](mailto:ryan.hepler@rockymountnc.gov), 252.972.1475)

Coverage Area: 3 square miles

2011 to Present

## Additional Services & Support

SST, Inc. ShotSpotter Flex subscription service offering includes the following:

### Coverage Area Details:

- Coverage area footprint is determined by customer's needs and requirements.
- SST hosts, secures, monitors and maintains all infrastructure.
- Qualified, reviewed and analyzed gunfire alerts verified by SST acoustic analysts.
- Allocation of Alert Consoles, dispatcher or mobile, is configured at the discretion of the customer.

### Data Retention:

- SST guarantees 2 years of alert/incident history (additional years at a fee).
- Stored gunfire incidents and a complete summary report of gunfire and fireworks activity is available for analysis.
  - High-level Summary and Basic Incident Reports
  - Detailed Forensic Reports

### Training:

- Comprehensive Onboarding Program taylored to customer's needs.
- Customers are eligible for an in-person training program which include the following:
  - Best Practices
  - Recommended TTPs
  - End-user documentation
  - Administrator training
  - Online end-user training

### Support:

- Standard customer support includes 24/7 assistance with user account, software interface, tools, features, incident (re)classification and review.
- Investigative and consultative support for gunfire incidents, forensic reports, expert witness services, and integration services.

**Customer Requirements:**

- Provision network access required to meet SST minimum specifications and requirements (ref "Host and Services Required to Use ShotSpotter Flex Clients" SST FED-72-01) for all computers (PC and MDC) which will access the ShotSpotter Flex Service.
- Run the SST System Profiler (a web-based analyzer) to verify system configuration and network access required for each computer (PC or MDC) which will access the ShotSpotter Flex service.

**Coverage Area(s)**

Systems are deployed to provide a dome of coverage for one or more specified areas. Each area is bounded by a specific coverage area perimeter. The area(s) to be covered are listed below.

**ShotSpotter Coverage = 3.62 mi<sup>2</sup>**

**Includes all of the following Beats:**

- **Lincoln Park (446)**
- **Valencia Park (432)**
- **O'Farrell (452)**
- **Skyline (436)**

## Pricing, Terms and Conditions

The pricing provided is a firm fixed price quote. The price as listed herein does not include any state or local taxes. Customer is responsible for notifying SST if the price needs to be adjusted for taxes.

### Final Pricing (3.62 Square Miles)

Annual Subscription Service (\$65,000/SM)	\$ 235,300.00
One-time Setup Fees (\$10,000/SM)	\$ 36,200.00
One-time Training Fee (\$10,000)	\$ 10,000.00
Application Program Interface License	\$ 19,000.00
<b>TOTAL</b>	<b>\$ 300,500.00</b>
Discount of \$55,200 in total costs	- \$ 55,200.00
<b>DISCOUNTED TOTAL for Year One</b>	<b>\$ 245,300.00</b>

### Annual Renewal Costs

Estimated annual renewal costs for subsequent years will be the following:

Year 2	\$ 235,300.00
Year 3	\$ 247,065.00
Year 4	\$ 259,420.00
Year 5	\$ 272,390.00

### Payment Terms

Payment for the service initiation and startup, all subscription fees, and any and all optional service fees shall be as follows:

- 50% due upon execution of agreement
- 50% due upon ShotSpotter Flex™ "live" status

**Detailed Flex Service Agreement (See Attached Exhibit)**

The attached ShotSpotter Flex Service Agreement is incorporated herein by reference and constitutes an integral part of this Purchase Agreement. Unless specifically so-stated above, should there be any question of precedence between the exhibit and this Purchase Agreement, then the exhibit, a single consolidated document shall be superior to the Purchase Agreement itself.

**Agreement**

**IN WITNESS THEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives on the date(s) shown below.

**ShotSpotter, Inc.**

**City of San Diego, California**

By:



(Authorized Signature)

By:



(Authorized Signature)

Name: Sonya Stricker

Name: \_\_\_\_\_

**Kristina Peralta**

Director

Purchasing & Contracting

Title:

VP Finance & Controller

Title: \_\_\_\_\_

Date:

9/14/16

Date: \_\_\_\_\_

9/21/2016